



REPORT TO UTAH OFFICE OF TOURISM
South Korea Public Relations & Marketing
Campaign 2009/2010
San Juan Economic Development & Visitor
Services

Market Trend and Assessment

In 2007 San Juan County (on behalf of SUNPARKS and the UOT) began travel trade research in South Korea. At that time South Korea was on the U.S. State Department's "short list" of countries being considered for visa waiver. In 2009 SJC retained in market representation with Mr. Jai Kap Lee of American States Education and Tour company to begin a public relations campaign to increase contact with the trade and generate consumer awareness. A sales mission was conducted in October of 2009 with Charlie DeLorme of SJC accompanying Mr. Lee for sales calls. We hosted a luncheon where some thirty travel trade representatives attended and destination training for product managers and call

staff was conducted. Another sales mission was conducted by Mr. Lee in November of 2009 followed up with the most recent mission in March of 2010. Beginning in January of 2009 Mr. Lee has represented Utah at Trade Shows in South Korea and maintained regular contact with the trade and media. We have continuously developed and introduced Utah destination packages through major tour operators, Airlines and Media. This includes all Utah travel products including ski, golf, parks products, other activities and properties. Even with the tough economic environment South Korea has been one of the first countries to overcome the world economic crisis. With visa waiver awarded in November of 2008 and persistent marketing Korean outbound travelers have rapidly increased for the the American West, including Utah. The city of Seoul has 15.8 million consumers, a higher median income than we enjoy here in the U.S. and a high English language speaking demographic in the 20-35 year old market. This makes South Korea extremely well suited for FIT as well as group sales. Currently California is the only other U.S. destination making serious efforts in the market. Korean outbound travelers to the U.S. increased in December 2009 compared with December 2008 by 46.7%, 286,547 persons. In January of 2010, outbound travelers increased 40.9% compared with January of 2009.

KATA is conservatively expecting to increase outbound travelers 50% through the year 2010. A strong indication of sales comes from Hana Tour, Korea's largest outbound tour operator (they sell 35% of Korean outbound travel).

Our PR & marketing campaign included an insert in Hana's consumer piece and Utah banner link to SJC's Korean language website. Figures provided to me by company president, Kwon Hee Seouk are as follows: Sales with Utah lodging:

2007-532 PAX (22 SJC room nights)

2008-1380 PAX (64 SJC room nights)

2009-4356 PAX (1400+ SJC room nights)

300% increase in sales for 2010 as of March 5th. Over 13,000 Koreans with Utah itineraries have been sold by Hana Tour alone. Almost 4,000 SJC room nights booked. Other tour operators are also posting triple digit sales increases.

With one and one/half years of consistent promotion in Korea, visa waiver and economic recovery we have vastly accelerated package development for the U.S. west parks product and specifically Utah tourism packages. Last year Korea's Ministry of Culture and Tourism selected 20 "Excellent" travel package products worldwide and 2 Utah destination packages including the Five Utah National Park including Monument Valley and a Utah ski package were selected.

Part of our PR Campaign initiated Hana Tour's feature of 2 Utah packages to C.J. TV Home Shopping Channel (a subsidiary of SamSung Group) and Korean

customers and travelers responded “explosively” to the package offers.

In our meeting with President Kwon, he provided us exact statistics of 2010 sales volume with Utah itineraries (5,380pax) through CJ TV Home Shopping alone.

As previously mentioned Hana Tour anticipates a 300% Utah package sales increase in 2010.

Our PR campaign & marketing efforts have led other wholesale tour operators besides Hana to offer Utah travel product development in 2009 and 2010.

San Juan County representing UOT invited VIP’s including Hana Tour, Mode Tour, Korea Travel Times, Delta Airlines, United Airlines to our VIP Luncheon at Seoul Millennium Hilton’s Jade Banquet room.

During PR calls, we visited Korean Airlines, Passenger Marketing Team, Asiana Airlines, Passenger Marketing Team and 2 other major retail package oriented companies including Tour2000 (#6 in Korean outbound sales) and JaU Tour (#3 in Korean outbound sales).

We also visited U.S. Embassy Commercial Services and discussed how we could cooperate with the Embassy Tourism Marketing Team through “Discover America” and we have initiated a Utah PR campaign to maintain consumer

awareness.

Conclusion

As a result of our marketing efforts the South Korea leisure market is responding in dynamic fashion to Utah Tourism products and Utah as a destination. This began with wholesalers like Hana Tour's Utah product development fueled by consumer demand generated through our PR campaign with media and consumer show representation. Traditional U.S. West Coast (city break) bound packages are fading due to consumer awareness of the parks product. New trends towards second tier travel and American Southwest itineraries are soaring.

With continued market presence one can expect the South Korean market to continue rapid growth in the next few years. Our efforts have made and can continue to make Utah the most desired of U.S. destinations. South Korea outbound FIT demand is increasing rapidly. United States Education and Tour Company marketing manager, Ms. Lee Kim, said "San Juan County's marketing and public relations campaign is a 'case study' in one of the most successful emerging market development stories I have witnessed in my twenty year career."